

# **The Indian Express**

## **Opinion**

### **Economy still in the woods (Page no 12)**

#### **GS Paper 3, Indian Economy**

The National Statistical Office released the provisional estimates of national income and quarterly estimates of GDP on May 31, 2022.

The worst piece of news is that the size of the economy at constant prices on March 31, 2022 (Rs 147.36 lakh crore) was about the same as it was on March 31, 2000 (Rs 145.16 lakh crore), meaning that we are running to stand in the same place.

However, individual citizens have become poorer because the per capita income has declined in the two years from Rs 1,08,247 to Rs 1,07,760.

The next bad news is that the graph of quarterly GDP growth in 2021-22 is a sloping graph: the numbers for the four quarters are 20.1, 8.4, 5.4 and 4.1 per cent. In terms of output (value addition), there is no sharp rise.

In the pre-pandemic year of 2019-20, GDP in the fourth quarter was Rs 38,21,081 crore, and we exceeded that number only in the fourth quarter of 2021-22 which recorded Rs 40,78,025 crore.

## **Economy**

### **Demand Push: Rubber industry looks to double export by '25 (Page 13)**

#### **GS Paper 3, Indian Economy**

The \$2-billion non-tyre rubber sector is aiming to double its exports by 2025, according to the All India Rubber Industries Association (AIRIA).

The global market for rubber products which is estimated at around \$212 billion today is also expected to grow by 2025. Because MSMEs are so important to India's economy and commerce, we believe that India's free trade agreements (FTAs) should include provisions to address the special concerns, demands and barriers that MSMEs may face while doing business in foreign markets.

Government should take steps to ensure that the terms of the FTAs benefit the MSMEs for internalisation, with trade facilitation mainstreamed in MSME development goals.

MSMEs can work world-wide by creating a level playing export infrastructure, improving their financing conditions, educating them about suitable marketing channels and facilitating their working with trading companies.

Indian Institute of Foreign Trade (IIFT) and the export promotion councils should educate MSMEs on export procedures, documentation requirements, and the finer points of export.

In the last 1-1.5 years, the government released Rs 55,000 crore under MEIS incentives as a reward. There are 13 trade agreements under which 12 are already implemented.

Under India and the UAE agreement, 97% of Indian products exported get the direct benefit.

### **Inflation war: "Greedinflation" VS Supply-Demand (Page no. 13)**

#### **GS Paper 3, Indian Economy**

There are few good things about living through a period with the highest inflation in four decades but here's one: It's a chance to re-examine what happens in an economy that's gone haywire.

Since prices started to escalate a year ago, politicians and economists have seized on inflation to tell their preferred story about what went wrong and what policies would bring it back into line.

The White House and progressive organisations, however, say wait a minute: This time is different. In a time of extraordinary disruption, they contend, increasingly dominant corporations are taking the opportunity to jack up prices more than they otherwise could, which is squeezing consumers and supercharging inflation. Or "greedflation," as the hypothesis has come to be known.

The argument comports with the Biden administration's focus on the illsofeconomic concentration.

## **The World**

### **NATO chief speaks with Erdogan about Finland and Sweden joining (Page no 14)**

#### **GS Paper 2, International Relation**

NATO Secretary-General Jens Stoltenberg has met with Finland's prime minister and spoken to Turkey's president as he seeks to overcome Turkish resistance to Finland and Sweden joining the alliance.

Stoltenberg, who met with Finnish Prime Minister Sanna Marin while there and discussed "the need to address Turkey's concerns and move forward" with the Finnish and Swedish membership applications.

Russia's war in Ukraine pushed the Nordic countries to apply to join NATO, but Turkish President Recep Tayyip Erdogan accuses Sweden and Finland of supporting Kurdish militants deemed by Turkey to be terrorists.

Stoltenberg said he had a "constructive phone call" with Erdogan, calling Turkey a "valued ally" and praising Turkish efforts to broker a deal to ensure the safe transportation of grain supplies from Ukraine amid global food shortages caused by Russia's invasion.